



Scott Appalachian Industries, Inc.

"We Make Lives Better"

591 E. Monticello Pike ~ Huntsville, TN 37756

Phone (423) 663-9300 ~ Fax (423) 663-3365

SAI2@highland.net

<http://www.go-sai.com>

Larry R. West
Executive Director

June 28, 2006

Federal Housing Finance Board
1625 Eye Street, NW
Washington, DC 20006

Board Members

John Beaty
Chairperson

Re: RIN Number 3069-AB30, Docket Number 2006-03

Derek Keeton
Vice-Chairperson

I serve on the 15-member Advisory Council of the Federal Home Loan Bank of Cincinnati. I am one of 5 members from Tennessee and a member of the special needs committee. It is out of concern for citizens with special needs and disadvantaged citizens that I am writing this letter.

Louise Reed
Secretary/Treasurer

Tammy Bunch

I fear that present proposals by the Federal Housing Finance Board will have an adverse effect on the great mission served by this nation's system of Federal Home Loan Banks (FHLBanks). I feel that our nation's long standing efforts to help Americans have affordable housing is far from fully realized and when an idea such as the FHLBanks System works as well as it does, it should be encouraged and not discouraged. "If a horse is pulling in the right direction, don't pull on the reins!"

Joe Fields

Rick Harper

In communities where property-improvement taxes are the bulk of revenue that pays for education and all other government programs, affordable owner occupied housing makes perfect sense. It helps disadvantaged families to become a stake holder in their community and in America. They become taxpayers and are responsible for their own maintenance, repairs, insurance, etc. Homeownership is where wealth building starts for most Americans. There's even incentive to learn how to do things "around the house"-- to paint, to mow, to plumb, to carpenter, to fix a switch, and much more.

Richard Russell

Norton Tate

David West

Denny Chambers

In Scott County, Tennessee, we weren't able to serve severely disabled individuals with appropriate and affordable housing, six years ago. We utilized some Federal Home Loan Bank of Cincinnati funds to "bridge" the gap to access Tennessee Housing Development Agency (THDA) funds to serve citizens who had special needs to address before they could live at home rather than in a developmental center away from home. This is rental housing, but the care provider jobs created for our community has had a huge positive impact for the economy. Not only can citizens with severe disabilities choose to live in Scott County now, but citizens in the area can have a job providing needed services. In a community that typically has unemployed rates at and among the highest in Tennessee, the work helps employ approximately 200 persons who otherwise

Les Winningham

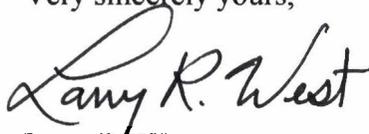
Curtis Bruce

Allyn Lay
Counsel

would likely be unemployed. Approximately \$1.3 million in affordable housing assistance has crated \$4 million dollars annually in wages and benefits for our employees at Scott Appalachian Industries. Our community benefits in other ways too! These severely disabled citizens use our pharmacists, doctors, hospital, buy groceries, buy clothing, help us to become better at caring, and have made life better for everyone. In fact, it sounds more like an outstanding economic development project than affordable housing! There are other communities around me that need this work. In Tennessee, we've only begun. Unless there are other forms of help that I do not know about, this could not have happened without the FHLBank of Cincinnati.

Summarily, the FHLBank system is a very thoughtful creation of our federal government. If there are concerns about Fannie or Freddie, consider the FHLBanks on their own merit. Perhaps there are things in their design that could be shared. (Maybe Fannie and Freddie should be more like the Banks.) From my vantage point, we need more of what the FLHBanks offer-not less. It has certainly enabled a lot of citizens to become tax payers rather than tax consumers in my poor rural Appalachian community of Scott County, Tennessee. Thank you for receiving my input.

Very sincerely yours,

A handwritten signature in cursive script that reads "Larry R. West". The signature is written in black ink and is positioned above the typed name and title.

Larry R. West
Executive Director

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